



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

DATE: June 22, 2006
TO: Selected Minor Party Candidates
FROM: Michigan Department of State, Bureau of Elections
SUBJECT: Filing Requirements Under Michigan's Campaign Finance Act

A CANDIDATE NOMINATED AT A MINOR PARTY CONVENTION TO AN ELECTIVE OFFICE IS REQUIRED TO COMPLY WITH MICHIGAN'S CAMPAIGN FINANCE ACT. A MINOR PARTY CAN NOMINATE CANDIDATES FOR THE PARTISAN OFFICES AND STATE SUPREME COURT JUSTICE POSITIONS THAT WILL APPEAR ON THE NOVEMBER 7, 2006 GENERAL ELECTION BALLOT.

ALL COMMITTEES REQUIRED TO FILE WITH THE SECRETARY OF STATE THAT SPEND OR RECEIVE \$20,000.00 OR MORE IN A CALENDAR YEAR, OR EXPECT TO SPEND OR RECEIVE \$20,000.00 OR MORE IN A CALENDAR YEAR, ARE REQUIRED TO FILE ELECTRONICALLY. COMMITTEES ARE AUTOMATICALLY REGISTERED FOR THE MERTS PLUS SOFTWARE WHEN A STATEMENT OF ORGANIZATION IS FILED. TRAINING (ON-SITE OR ON-LINE) CAN BE ARRANGED BY ACCESSING THE MERTS PLUS WEB PAGE AT WWW.MERTSPLUS.COM.

PLEASE READ THIS MEMO TO DETERMINE IF YOU ARE REQUIRED TO FILE UNDER MICHIGAN'S CAMPAIGN FINANCE ACT.

Definition of a Candidate Under the Act

Section 3(1) of the Michigan Campaign Finance Act states:

“Candidate’ means an individual: (a) who files a fee, affidavit of incumbency, or nominating petition for an elective office; (b) whose nomination as a candidate for elective office by a political party caucus or convention is certified to the appropriate filing official; (c) who receives a contribution, makes an expenditure, or gives consent for another person to receive a contribution or make an expenditure with a view to bringing about the individual’s nomination or election to an elective office, whether or not the specific elective office for which the individual will seek nomination or election is known at the time the contribution is received or the expenditure is made; or (d) who is an officeholder who is the subject of a recall vote. Unless the officeholder is constitutionally or legally barred from seeking re-election or fails to file for re-election to that office by the applicable filing deadline, an elected officeholder shall be considered to be a candidate for re-election to that same office for the purposes of this act only.”

Statement of Organization

Upon becoming a candidate, an individual has 10 days to form a Candidate Committee. From the date that the committee is formed, the committee has an additional 10 days to register with this office. To register a Candidate Committee, you must file a Statement of Organization form with this office. The necessary form is enclosed. While candidates who currently have a Statement of Organization on file are not required to file a new Statement of Organization, they may be required to file an amendment to update the information on the form.

- Committees that do not register in a timely manner are assessed late filing fees. Late filing fees are assessed at \$10.00 per business day (maximum fee: \$300.00). Late filing fees assessed a committee are the personal responsibility of the candidate, treasurer and designated record keeper should the committee fail to pay the assessment.
- A Statement of Organization that is hand delivered or sent by first class mail must reach this office before 5:00 p.m. on the due date. Committees must be sure to allow adequate transit time if sending a Statement of Organization by first class mail. A Statement of Organization sent by registered mail, certified mail or an overnight delivery service and postmarked on or before the due date will be accepted as a timely filing regardless of when it arrives.
- A committee registered under Michigan's Campaign Finance Act is required to amend its Statement of Organization if any information presented on the form has changed. Required amendments to the form must be filed **no later than the due date of the next Campaign Statement required of the committee.**

Campaign Statements

Candidates nominated at convention for an elective office are required to file Pre and Post-Convention Campaign Statements. Candidates that participate in the November 7 general election are required to file Pre and Post-General Campaign Statements. However, Campaign Statements are not required of committees that have been granted a Reporting Waiver. The Reporting Waiver is discussed later in this memo.

The campaign finance reporting dates relevant to the upcoming convention and general election are listed below:

Libertarian Party of Michigan

Pre-Convention closing date	April 27
Late Contribution Report period	April 28 – May 10 (15 th through 3 rd day before the convention)
Pre-Convention due date	May 2
STATE CONVENTION DATE	May 13
Post-Convention closing date	June 2
Post-Convention due date	June 12

U.S. Taxpayers Part of Michigan

Pre-Convention closing date	July 13
Late Contribution Report period	July 14-26 (15 th through 3 rd day before the convention)
Pre-Convention due date	July 18
STATE CONVENTION DATE	July 29

Post-Convention closing date	August 18
Post-Convention due date	August 28

Green Party of Michigan

Pre-Convention closing date	July 20
Late Contribution Report period	July 21-August 2 (15 th through 3 rd day before the convention)
Pre-Convention due date	July 25
STATE CONVENTION DATE	August 5-6
Post-Convention closing date	August 25
Post-Convention due date	September 5

Natural Law Party of Michigan

Convention date not available.

PLEASE NOTE: Reporting dates are based on the first date of the convention. Convention dates were provided by the respective political parties.

Candidates Participating in the General Election

Pre-General closing date	October 22
Late Contribution Report period	October 23-November 4 (15 th through 3 rd day before the election)
Pre-General due date	October 27
GENERAL ELECTION	NOVEMBER 7
Post-General closing date	November 27
Post-General due date	December 7

Timely, Accurate Campaign Statements Required

- If the committee raised **\$10,000.00 or less** during the previous 2 years, a \$25.00 late filing fee will be assessed for each business day the statement remains unfiled (maximum fee: \$500.00).
- If the committee raised **more than \$10,000.00** during the previous 2 years, the maximum fee that can be assessed is increased to \$1,000.00. The late filing fee will be assessed as follows:
 - (a) \$25.00 for each business day the report remains unfiled.
 - (b) An additional \$25.00 for each business day after the first 3 business days the report remains unfiled.
 - (c) An additional \$50.00 for each business day after the first 10 business days the report remains unfiled.
- Campaign Statements that are hand-delivered, sent by first class mail, or submitted electronically via the Internet must reach this office before 5:00 p.m. on the due date. Be sure to allow ample mailing time if sending first class.
- A Pre-Convention Campaign Statement submitted on paper or diskette that is sent by registered mail, certified mail or an overnight delivery service and postmarked two or more

days before the filing deadline will be accepted as a timely filing regardless of when it arrives.

- A Post-Convention Campaign Statement submitted on paper or diskette that is sent by registered mail, certified mail or an overnight delivery service and postmarked on or before the filing deadline will be accepted as a timely filing regardless of when it arrives.
- Committees filing on paper must provide two (2) copies of each required Campaign Statement (one original and one photocopy).
- A late contribution is any single contribution of \$200.00 or more received by the committee between the 15th and 3rd day before the date of the convention or election. A Late Contribution Report must be received by the committee's filing official within 48 hours after the committee's receipt of the contribution. It may be submitted in a telegram or by any other means of written communication, including fax and e-mail. The fax number for the Bureau of Elections is (517) 241-4785. A Late Contribution Report form is available on our web page at www.michigan.gov/sos. The maximum late filing fee that can be assessed for failing to file a required Late Contribution Report is \$2,000.00.

Reporting Waiver Provisions

A Candidate Committee is exempt from the Campaign Statement filing requirements if it currently has a Reporting Waiver or qualifies for and obtains a Reporting Waiver on or before the due date of the Campaign Statement. A Candidate Committee that does not expect to receive or spend more than \$1,000.00 for the convention or an election is eligible for a Reporting Waiver.

To become eligible for a Reporting Waiver, the Candidate Committee must check item 10 on its Statement of Organization. This tells the filing official that the committee does not expect to receive or spend more than \$1,000.00 for the convention or an election. The committee can check item 10 on its original Statement of Organization or on an amendment to its Statement of Organization.

A Candidate Committee that does not check item 10 on its Statement of Organization is not eligible for a Reporting Waiver. This means that the committee must file Campaign Statements regardless of the amount received or spent during the reporting period.

A Candidate Committee loses its Reporting Waiver if it receives or spends more than \$1,000.00 for the convention or an election. Funds held by the committee after the date of the convention or an election count toward the "amount received" for the next election. If the Reporting Waiver is lost, the committee must file the next required Campaign Statement.

A Reporting Waiver does not exempt a committee from filing Late Contributions Reports; however, it is not necessary for a committee with a Reporting Waiver to report late contributions on a Campaign Statement.

Dissolution Information

To be eligible for dissolution, a Candidate Committee must have no remaining assets or outstanding debts. An unpaid late filing fee is considered to be a committee debt. An officeholder cannot dissolve his or her Candidate Committee until his or her term of office expires. Exceptions to this provision exist for officeholders who are not eligible to seek re-

election. For further information on the exceptions, contact the Department of State's Bureau of Elections.

Funds leftover in a Candidate Committee account must be disbursed in the following ways:

- given to a Political Party Committee (state central, congressional district or county);
- given to a tax exempt charitable organization as long as the candidate does not become an officer or director of the organization or receive compensation, either directly or indirectly, from the organization;*
- returned to contributors of the funds;
- given to an Independent Committee;
- given to a Ballot Question Committee; or
- transferred to another Candidate Committee simultaneously held by the same person if the contribution limits that apply to the Candidate Committee receiving the funds are the same or greater than the contribution limits that apply to the Candidate Committee transferring the funds. (Further information on such fund transfers can be obtained by contacting the Department of State's Bureau of Elections.)

Candidates for State Supreme Court Justice are advised to contact the Michigan State Bar Association at (517) 346-6300 for additional information on dispersing leftover committee funds.

If the committee has a Reporting Waiver, it is dissolved by filing a single-page Dissolution Campaign Statement form. If the committee does not have a Reporting Waiver, it is dissolved by filing a final Campaign Statement with supporting Schedules. A dissolution can be combined with any Post-Election Campaign Statement.

Candidate Committees Using MERTS Plus Software

- The following reminders are offered for Candidate Committees using the MERTS Plus software to electronically submit their Campaign Statements. **Questions concerning the use of the software should be directed to MERTS Plus Tech Support at (703) 749-4642 or sent by e-mail to mertstechsupport@nicusa.com.**
- **Election Cycles** – Make sure the current election cycle is entered into the Election Cycles Window. Please see the attached Election Cycles Chart for specific dates.

*When a dissolving committee contributes all or part of their remaining funds to a tax-exempt charitable organization, the committee must provide this office with confirmation (acknowledgement letter, receipt, etc.) from the charitable organization that the contribution was received.

- **Reporting Periods** – A separate report record, with correct coverage period dates, must be created in the Reports Window for each Campaign Statement that will be submitted electronically by the committee.

- **Amendments to Campaign Statements** – An amended Campaign Statement cannot be submitted until an original Campaign Statement has been electronically filed. If you create more than one amendment to a report, each amendment must be electronically submitted in the order it was created before any further amendments can be filed.

Questions?

If you have any questions, please phone us at (517) 373-2540 or write us at the address below. The address below should also be used to mail your filings by first class mail, registered mail or certified mail.

Michigan Department of State
Bureau of Elections
Post Office Box 20126
Lansing, Michigan 48901-0726

If you would like to visit our office or use an overnight delivery service, the address below is provided.

Michigan Department of State
Bureau of Elections
1st Floor – Richard H. Austin State Office Building
430 West Allegan Street
Lansing, MI 48918-1700